



Avista Corp.
1411 East Mission, P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Building 8, Suite 201-A
Boise, ID 83714

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2022 FEB 23 PM 4:07
IDAHO PUBLIC
UTILITIES COMMISSION

Avu-E-22-03

RE: Avista & The Regents of the University of Idaho - Joint Petition

Dear Ms. Noriyuki:

Enclosed for filing with the Commission is an electronic copy of Avista and The Regents of the University of Idaho Joint Petition for approval of a Steam Power Purchase Agreement and Interconnection Agreement.

Please direct any questions regarding this report to Michael Andrea at (509) 495-2564 or myself at 509-495-4584.

Sincerely,

/s/Paul Kimball

Paul Kimball
Manager of Compliance & Discovery
Avista Utilities
509-495-4584
paul.kimball@avistacorp.com

Enclosure

For Avista Corporation

Michael G. Andrea (ISB No. 8308)
Senior Counsel
Avista Corporation
1411 East Mission, MSC-17
Spokane, WA 99202
Phone: (509) 495-2564

For the Regents of the University of Idaho

Gregory M. Adams (ISB No. 7454)
Richardson Adams, PLLC
515 N. 27th Street
Boise, Idaho 83702
Telephone: (208) 938-2236
Fax: (208) 938-7904
greg@richardsonadams.com

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT PETITION)	
OF AVISTA CORPORATION AND)	CASE NO. AVU-E- 22-03
REGENTS OF THE UNIVERSITY OF IDAHO)	
FOR APPROVAL OF POWER PURCHASE)	JOINT PETITION OF AVISTA
AGREEMENT)	CORPORATION AND THE REGENTS
)	OF THE UNIVERSITY OF IDAHO
)	

Avista Corporation (“Avista”) and the Regents of the University of Idaho (“University”) (collectively, the “Parties”) hereby petition the Idaho Public Utilities Commission (“Commission”) for an order approving the Power Purchase Agreement (“Agreement”) between Avista and the University for its facility comprised of three micro-steam turbine-generator sets, each designed to produce 275 kW, for a total facility design capacity of 825 kW (“Facility”). The Agreement is attached hereto as Exhibit A.

1. Names and Addresses of Petitioners

Avista Corporation
1411 East Mission Avenue
Spokane, WA 99202

Regents of the University of Idaho
Gregory M. Adams (ISB No. 7454)
Richardson Adams, PLLC
515 N. 27th Street
Boise, Idaho 83702
Telephone: (208) 938-2236
Fax: (208) 938-7904
greg@richardsonadams.com

2. **Nature of Businesses**

Avista is a corporation created and organized under the laws of the State of Washington with its principal office in Spokane, Washington. Avista is an investor-owned utility engaged in, among other things, the business of generating, transmitting, and distributing electric power to wholesale and retail customers in Idaho and Washington. Avista also provides natural gas service to customers in Idaho, Washington, and Oregon. As such, Avista's rates, charges, services and practices are regulated, in part, by this Commission.

The University is a body politic and corporate organized and existing under the constitution and laws of the State of Idaho that owns and operates a 825 kW micro-steam turbine electric generation facility located at Moscow, Idaho. The Facility is interconnected to Avista's electrical system pursuant to the interconnection agreement attached to the Agreement as Exhibit D. The Facility is a Qualifying Facility pursuant to the Public Utility Regulatory Policies of Act of 1978 ("PURPA").

3. Names of Representatives

All communications, pleadings, and orders with respect to this proceeding should be directed to:

For Avista Corporation:

Kevin Holland
Manager Wholesale Marketing &
Contracts
Avista Corporation
1411 E. Mission Ave., MSC-7
Spokane, WA 99202
Phone: 509-495-2194
E-mail: kevin.holland@avistacorp.com

Michael G. Andrea
Senior Counsel
Avista Corporation
1411 E. Mission Ave., MSC-17
Spokane, WA 99202
Phone: 509-495-2564
Fax: (509) 777-5468
E-mail: michael.andrea@avistacorp.com

For the Regents of the University of Idaho:

Edith Pacillo
Senior Associate General Counsel
Office of General Counsel
322 E. Front Street
324D
Boise, Idaho 83702
Telephone 208-364-4568
Email: elpacillo@uidaho.edu
Copy to: counsel@uidaho.edu

Gregory M. Adams (ISB No. 7454)
Richardson Adams, PLLC
515 N. 27th Street
Boise, Idaho 83702
Telephone: (208) 938-2236
Fax: (208) 938-7904
Email: greg@richardsonadams.com

4. Description of the Agreement

The University intends to use the output from the Facility to serve the University's load. To the extent that the Facility generates output in excess of University load, the University has elected to sell, and Avista will purchase, all such output from the Facility at the avoided costs calculated at the time of delivery, which shall be, for each hour in which the University delivers such output to Avista at the Point of Delivery the Market Energy Price for such hour expressed in \$ per kWh multiplied by the total kWh delivered to Avista at the Point of Delivery for such hour. Agreement Section 5.2.


The term of the Agreement is for a period of twenty years from the date that the Agreement was fully executed ("Effective Date"). The Agreement was fully executed on February 16, 2022. Avista and the University respectfully request that the Commission issue an order approving the Agreement with an Effective Date of February 16, 2022.

5. Conclusion

Avista and the University jointly respectfully request that the Commission issue an order accepting the Agreement as set forth herein.

Respectfully submitted this __th day of February, 2022.

AVISTA CORPORATION



Michael G. Andrea
Senior Counsel

**REGENTS OF THE UNIVERSITY OF
IDAHO**



Gregory M. Adams (ISB No. 7454)
Attorney for Regents of the University of
Idaho

POWER PURCHASE AGREEMENT

BETWEEN

REGENTS OF THE UNIVERSITY OF IDAHO

AND

AVISTA CORPORATION

POWER PURCHASE AGREEMENT (STEAM)

This Agreement is made by and between Avista Corporation, a Washington corporation (“Avista”), and the Regents of the University of Idaho (“Seller”). Avista and Seller are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Seller will own, operate and maintain the electric power generating facility with a Nameplate Capacity Rating of 825 kW Alternating Current (AC), as more fully described in Exhibit A (“Facility”);

WHEREAS, Seller will operate the Facility as a Qualifying Facility, as defined by the Public Utility Regulatory Policies Act of 1978 (“PURPA”);

WHEREAS, Seller will use the Facility to serve Seller’s Load (as defined herein); and

WHEREAS, to the extent the output generated from the Facility exceeds Seller’s Load, Seller will deliver and sell to Avista on an as-available basis, and Avista will purchase, output generated from the Facility subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the Parties agree as follows.

1. DEFINITIONS

Except as otherwise defined in this Agreement, whenever used in this Agreement and exhibits hereto, the following terms shall have the following meanings:

1.1 “Agreement” means this Power Purchase Agreement, including all exhibits, and any written amendments.

1.2 **“Avoided Cost Rates”** shall have the meaning provided in Section 5.2 of this Agreement.

1.3 **“aMW”** means average megawatt(s). An average megawatt is calculated by dividing the total generation in MWh over a given period of time (e.g., a calendar month) by the number of hours in that period of time.

1.4 **“Business Day”** means every day other than a Saturday or Sunday or a national holiday. National holidays shall be those holidays observed NERC.

1.5 **“Commission”** means the Idaho Public Utilities Commission, or its successor.

1.6 **“Effective Date”** shall have the meaning provided in Section 4 of this Agreement.

1.7 **“Environmental Attributes”** means any and all certificates, credits, benefits, emissions reductions, environmental air quality credits and emissions reduction credits, offsets and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance attributable to the generation of energy by the Facility, and the delivery of such energy to the electricity grid, and include without limitation, any of the same arising out of any current or future legislation or regulation concerned with oxides of nitrogen, sulfur, or carbon, with particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (“UNFCCC”) or the Kyoto Protocol to the UNFCCC or crediting “early action” with a view thereto, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency or successor administrator (collectively with any state or federal entity given jurisdiction over a program involving transferability of Environmental Attributes, the “CAMD”), but specifically excluding investment tax credits, production tax credits, and cash grants associated with the construction or operation of the Facility and other financial incentives in the form of credits, reductions, or allowances associated with ownership of the Facility that are applicable to a state or federal income tax obligation, if any. Environmental Attributes also include the reporting rights or Renewable Energy Certificates (“RECs”) associated with these Environmental Attributes. Environmental Attributes include without limitation all “Environmental Attributes” and all “Green Attributes” as those terms are defined in Appendix A-1 and Appendix A-2 of California Public Utilities Commission D. 08-08-028 in R. 06-02-012. RECS are accumulated on a MWh basis and one REC represents the Environmental Attributes associated with one MWh of energy. Environmental Attributes do not include any energy, capacity, reliability or other power attributes from the Facility.

1.8 **Reserved.**

1.9 **“Facility”** means the electric energy generating facilities, including all equipment and structures necessary to generate and supply electric energy, more particularly described at Exhibit A.

1.10 **“Facility Service Power”** means the electric energy generated and used by the Facility during its operation to operate equipment that is auxiliary to primary generation equipment

including, but not limited to, pumping, generator excitation, cooling or other operations related to the production of electric energy by the Facility.

1.11 “**Force Majeure**” shall have the meaning provided in Section 11 of this Agreement.

1.12 “**FERC**” means the Federal Energy Regulatory Commission, or its successor.

1.13 “**Interconnection Agreement**” the agreement between Seller and Avista which governs how the Net Output is delivered to Avista’s at the Point of Interconnection during the Term of this Agreement.

1.14 “**MW**” means megawatt. One thousand kilowatts equals one megawatt.

1.15 “**MWh**” means megawatt-hour. One thousand kilowatt-hours equals one megawatt-hour.

1.16 “**Market Energy Price**” means the PowerDex hourly Mid-Columbia (“Mid-C”) index price, or other mutually agreed to index.

1.17 “**Nameplate Capacity Rating**” means the maximum generating capacity of the Facility, as determined by the manufacturer, and expressed in megawatts (MW) or kilowatts (kW).

1.18 “**NERC**” means the North American Electric Reliability Corporation or its successor.

1.19 “**Net Output**” means the capability and electric energy generated by the Facility, less Seller’s Load expressed in megawatt-hours (MWh) or kilowatt-hours (kWh).

1.20 “**Point of Delivery**” means the location, as specified in Exhibit A of this Agreement, where the electric energy produced by the Facility is delivered by Seller to Avista’s electrical system.

1.21 “**Prudent Utility Practices**” means the practices, methods, and acts commonly and ordinarily used in electrical engineering and operations by a significant portion of the electric power generation and transmission industry, in the exercise of reasonable judgment in the light of the facts known or that should have been known at the time a decision was made, that would have been expected to accomplish the desired result in a manner consistent with law, regulation, reliability, safety, environmental protection, economy, and expedition.

1.22 “**Qualifying Facility**” or “**QF**” means a generating facility which meets the requirements for “QF” status under PURPA and part 292 of FERC’s Regulations, 18 C.F.R. Part 292, and which has obtained certification of its QF status.

1.23 “**Seller’s Load**” means Seller’s electrical load on Seller’s side of the retail meter(s) through which Avista delivers electric energy to Seller’s University campus, including Facility

Service Power, to be served directly by the Facility. For the avoidance of doubt, Seller's Load shall not include any third-party electrical load or any remote load that requires the output from the Facility to be delivered across Avista distribution or transmission facilities.

1.24 "**Term**" shall have the meaning provided in Section 4 of this Agreement.

1.25 "**WECC**" means the Western Electricity Coordinating Council or its successor.

2. **WARRANTIES**

2.1 **No Warranty by Avista.** Avista makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility, and any review, acceptance or failure to review Seller's design, specifications, equipment or Facility shall not be an endorsement or a confirmation by Avista. Avista assumes no responsibility or obligation with regard to any NERC and/or WECC reliability standard associated with the Facility or the delivery of electric energy from the Facility to the Point of Delivery.

2.2 **Seller's Warranty.** Seller warrants and represents that: (a) Seller has investigated and determined that it is capable of performing and will perform the obligations hereunder and has not relied upon the advice, experience or expertise of Avista in connection with the transactions contemplated by this Agreement; (b) all professionals and experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller; (c) Seller will comply with all applicable laws and regulations and shall obtain and comply with applicable licenses, permits and approvals in the design, construction, operation and maintenance of the Facility; and (d) the Facility is, and during the Term of this Agreement will remain, a Qualifying Facility as that term is used in 18 C.F.R Part 292. Seller's failure to maintain Qualifying Facility status will be a material breach of this Agreement. Avista reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at any time during the Term of this Agreement.

3. **CONDITIONS PRIOR TO DELIVERY OF NET OUTPUT**

3.1 **Seller Representation.** Seller represents that, prior to the commencement of the first delivery of Net Output to Avista Seller's licenses, permits and approvals (including, but not limited to, evidence of compliance with Subpart B, 18 C.F.R. § 292.207, tribal, state and local business licenses, environmental permits, easements, leases and all other required approvals) are legally and validly issued, are held in the name of the Seller, and Seller is in substantial compliance with said permits.

3.2 **Independent Engineering Certifications.** Upon Avista's request, prior to the commencement of the first delivery of Net Output to Avista, Seller shall submit to Avista applicable Independent Engineering Certifications for Construction Adequacy for a Qualifying Facility. The Independent Engineering Certification shall be signed by a licensed professional engineer in good standing and be submitted in a form specified in Exhibit C-1. Avista's acceptance of such forms

shall not be unreasonably withheld. This Section 3.2 shall not apply to a Seller who has previously provided the certification required by this Section to Avista for the same Facility.

3.3 Interconnection Agreement. Seller shall provide Avista a copy of its Interconnection Agreement, which shall be attached hereto as Exhibit D.

3.4 Insurance. Upon Avista's request, Seller shall, to the extent applicable, submit to Avista evidence of compliance with Section 7.1.

3.5 Network Resource Designation. Upon Avista's request, Seller shall provide to Avista all data required by Avista to enable the Facility to be designated by Avista as a network resource.

4. TERM OF AGREEMENT

This Agreement shall be effective on the date last signed below or such other date set by Commission order (the "Effective Date") and shall continue for twenty (20) years after the Effective Date (the "Term"), unless otherwise terminated as provided herein.

5. PURCHASE PRICES AND PAYMENT

5.1 Seller Election. To the extent that the Facility generates energy in excess of Seller Load, Seller elects to provide such energy generated by the Facility to Avista as Seller determines such energy generated by the Facility is available for sale to Avista (on an as-available basis)

5.2 Avoided Costs Calculated at the Time of Delivery. To the extent that Seller provides energy generated by the Facility to Avista pursuant to Section 5.1, the rate to be paid to Seller shall be the avoided costs calculated at the time of delivery ("Avoided Cost Rates"), which shall be, for each hour in which Seller delivers Net Output to Avista at the Point of Delivery after the Commercial Operation Date, the Market Energy Price for such hour expressed in \$ per kWh multiplied by the total kWh delivered to Avista at the Point of Delivery for such hour.

5.3 Payments to Seller. For any calendar month in which Seller has delivered Net Output from the Facility to Avista in accordance with this Agreement, Avista shall prepare and submit to Seller a monthly statement based upon Net Output delivered to Avista during the previous month. Payments owed by Avista shall be paid no later than the 20th day of the month following the end of the monthly billing period or five days after the receipt of a monthly statement, whichever is later. If the due date falls on a non-Business Day, then the payment shall be due on the next Business Day.

5.4 Payments to Avista and Right of Set Off. If Seller is obligated to make any payment or refund to Avista, Seller agrees that Avista may set off such payment or refund amount against any current or future payments due Seller under this Agreement. If Avista does not elect to set off, or if no current or future payment is owed by Avista, Avista shall submit an invoice to Seller for such payments. Seller shall pay Avista no later than the 20th day of the month following the end of the monthly billing period or five days after the receipt of a monthly statement,

whichever is later. If the due date falls on a non-Business Day, then the payment shall be due on the next Business Day.

5.5 Interest. In addition to the remedies set forth in Section 15 of this Agreement, any amounts owing after the due date specified in Sections 7.3 and 7.4 will be subject to interest in the amount of one and one half percent (1.5%) per month, not to exceed the maximum rate allowed by the law, multiplied by the unpaid balance.

5.6 Wire Transfer. All payments shall be made by ACH or wire transfer in accordance with further agreement of the Parties.

5.7 Title and Risk of Loss. As between the Parties, Seller shall be deemed to be in control of the output from the Facility up to and until delivery to and receipt by Avista at the Point of Delivery and Avista shall be deemed to be in control of the Net Output delivered and received by Avista at the Point of Delivery.

6. ENVIRONMENTAL ATTRIBUTES

Seller shall retain and own all Environmental Attributes generated by the Facility.

7. INSURANCE; CONTINUING OBLIGATIONS

7.1 Insurance. Prior to the commencement of the first delivery of Net Output to Avista, Seller, at its own cost, shall obtain and maintain the following insurance in force over the term of this Agreement and shall provide certificates of all insurance policies. All insurance policies required to fulfill the requirements of this Section 7 shall include language requiring that any notice of cancellation or notice of change in policy terms be sent to Avista by the insurance carrier(s) at least sixty days prior to any change or termination of the policies.

7.1.1 General Liability. Seller shall carry commercial general liability insurance for bodily injury and property damage with a minimum limit equal to \$1,000,000 for each occurrence. The deductible shall not exceed the Seller's financial ability to cover claims and shall not be greater than prevailing practices for similar operations in the State of Washington.

7.1.2 Property. Seller shall carry all-risk property insurance for repair or replacement of the Facility. The limit of property insurance shall be sufficient to restore operations in the event of reasonably foreseeable losses from natural, operational, mechanical and human-caused perils. The deductible shall not exceed the Seller's financial ability to fund the cost of losses and shall not be greater than prevailing practices for similar operations in the State of Idaho.

7.1.3 Qualifying Insurance. The insurance coverage required by this Section 7 shall be obtained from an insurance company reasonably acceptable to Avista and shall include an endorsement naming Avista as an additional insured and loss payee as applicable.

7.1.4 Notice of Loss or Lapse of Insurance by Seller. If the insurance coverage required by this Section 7 is lost or lapses for any reason, Seller will immediately notify Avista in writing of such loss or lapse. Such notice shall advise Avista of (i) the reason for such loss or lapse and (ii) the steps Seller is taking to replace or reinstate coverage. Seller's failure to provide the notice required by this Section and/or to promptly replace or reinstate coverage will constitute a material breach of this Agreement

7.2 Self-Insurance. Notwithstanding the foregoing, Seller shall be entitled to self-insure through its self-funded liability program administered by the State of Idaho Office of Risk Management, which has a Combined Single Limit of \$500,000. Seller will provide a Certificate of Financial Responsibility upon request.

7.3 Continuing Obligations. For the Term of this Agreement, Seller will provide Avista with the following:

7.3.1 Insurance. Upon Avista's request, Seller shall provide Avista evidence of compliance with the provisions of Section 7.1. If Seller fails to comply, such failure will be a material breach and may only be cured by Seller promptly supplying evidence that the required insurance coverage has been replaced or reinstated.

7.3.2 Engineer's Certification. If requested by Avista, Seller will supply Avista with a Certification of Ongoing Operations and Maintenance from a Registered Professional Engineer licensed in the state in which the Facility is located, which certification shall be in the form specified in Exhibit C-2. Seller's failure to supply the certificate required by this Section 7.3.2 will be a material breach that may only be cured by Seller promptly providing the required certificate. Avista may request the Certification of Ongoing Operations and Maintenance required by this Section once in during the Term.

7.3.3 Licenses and Permits. During the Term of this Agreement, Seller shall comply with all applicable federal, state, and local laws and regulations. Seller shall maintain compliance with all permits and licenses described in Section 3.1 of this Agreement. In addition, Seller will obtain, and supply Avista with copies of, any new or additional permits or licenses that may be required for Seller's operations. At least every fifth year after the Effective Date, Seller will update the documentation described in Section 3.1. If at any time Seller fails to maintain compliance with the permits and licenses described in Section 3.1 or this Section, or to provide documentation required by this Section, such failure will be a material breach of this Agreement that may only be cured by Seller submitting to Avista evidence of compliance.

8. CURTAILMENT, INTERRUPTION OR REDUCTION OF DELIVERY

Avista may require Seller to curtail, interrupt or reduce delivery of Net Output if, in accordance with Section 9.2, Avista determines that curtailment, interruption or reduction is necessary because of a Force Majeure event or to protect persons or property from injury or damage, or because of emergencies, necessary system maintenance, system modification or special operating circumstances. Avista will use commercially reasonable efforts to keep any period of

curtailment, interruption, or reduction to a minimum. In order not to interfere unreasonably with Seller operations, Avista will, to the extent practical, give Seller reasonable prior notice of any curtailment, interruption, or reduction, the reason for its occurrence and its probable duration. Seller understands and agrees that Avista may not be able to provide notice to Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Avista in emergency circumstances, real-time operations of the electric system, and/or unplanned events.

9. OPERATION

9.1 Communications and Reporting. Avista and the Seller shall maintain appropriate operating communications through the Communicating and Reporting Guidelines specified in Exhibit B.

9.2 Excuse From Acceptance of Delivery of Energy.

9.2.1 Avista may curtail, interrupt, reduce or suspend delivery, receipt or acceptance of Net Output if Avista, in its sole discretion, reasonably determines that such curtailment, interruption, reduction or suspension is necessary, consistent with Prudent Utility Practice, and that the failure to do so may:

(a) endanger any person or property, or Avista's electric system, or any electric system with which Avista's system is interconnected;

(b) cause, or contribute to, an imminent significant disruption of electric service to Avista's or another utility's customers;

(c) interfere with any construction, installation, inspection, testing, repair, replacement, improvement, alteration, modification, operation, use or maintenance of, or addition to, Avista's electric system or other property of Avista; or

(d) prevent or interfere with Avista's compliance with any applicable law or regulatory requirement.

9.2.2 Avista shall promptly notify Seller of the reasons for any such curtailment, interruption, reduction or suspension provided for in Section 9.2. Avista shall use reasonable efforts to limit the duration of any such curtailment, interruption, reduction or suspension.

9.3 Seller's Risk. Seller shall design, construct, own, operate and maintain the Facility at its own risk and expense in compliance with all applicable laws, ordinances, rules, regulations, orders and other requirements, now or hereafter in effect, of any governmental authority.

9.4 Avista's Right to Inspect. Seller shall permit Avista to inspect and audit the Facility, any related production, delivery and scheduling documentation or the operation, use or maintenance of the Facility at any reasonable time and upon reasonable notice. Seller shall provide Avista reasonable advance notice of any Facility test or inspection performed by or at the direction of Seller.

9.5 Seller Obligations in Accordance with Prudent Utility Practices. Seller shall own, operate and maintain the Facility and any Seller-owned Interconnection Facilities so as to allow reliable generation and delivery of Net Output to Avista for the full Term of the Agreement, in accordance with Prudent Utility Practices.

9.6 Modifications. Seller shall notify Avista in writing of any material modifications to the Facility. Material modifications to the Facility include, but are not limited to, any modification that increases or decreases the Facility nameplate capacity rating, changes the primary energy source, and changes to the generator fuel. Any material modifications to the Facility, including but not limited to the generator or turbine, that (1) increases the Facility nameplate capacity rating, or (2) changes the primary energy source, or (3) changes to the generator fuel, will require a review of the Agreement terms, conditions and pricing and Avista, at its sole determination, may adjust the pricing or terminate the Agreement. If the Agreement is terminated because of said modifications, the Seller will be responsible for any termination damages.

10. INTERCONNECTION, METERING AND TRANSMISSION

Seller shall make all necessary arrangements to interconnect its Facility with the electrical system of Avista. Any required metering for the Facility shall be pursuant to the Interconnection Agreement.

11. FORCE MAJEURE

11.1 Except as expressly provided in Section 11.6, neither Party shall be liable to the other Party, or be considered to be in breach of or default under this Agreement, for delay in performance due to a cause or condition beyond such Party's reasonable control which despite the exercise of reasonable due diligence, such Party is unable to prevent or overcome ("Force Majeure"), including but not limited to:

(a) fire, flood, earthquake, volcanic activity; court order and act of civil, military or governmental authority; strike, lockout and other labor dispute; riot, insurrection, sabotage or war; pandemic or epidemic; unanticipated electrical disturbance originating in or transmitted through such Party's electric system or any electric system with which such Party's system is interconnected; or

(b) an action taken by such Party which is, in the sole judgment of such Party, necessary or prudent to protect the operation, performance, integrity, reliability or stability of such Party's electric system or any electric system with which such Party's electric system is interconnected, whether such actions occur automatically or manually.

11.2 In the event of a Force Majeure event, the time for performance shall be extended by a period of time reasonably necessary to overcome such delay. Avista shall not be required to pay for Net Output which, as a result of any Force Majeure event, is not delivered.

11.3 Nothing contained in this Section shall require any Party to settle any strike, lockout or other labor dispute.

11.4 In the event of a Force Majeure event, the delayed Party shall provide the other Party notice by telephone or email as soon as reasonably practicable and written notice within fourteen days after the occurrence of the Force Majeure event. Such notice shall include the particulars of the occurrence. The suspension of performance shall be of no greater scope and no longer duration than is required by the Force Majeure and the delayed Party shall use its best efforts to remedy its inability to perform.

11.5 Force Majeure shall include any unforeseen electrical disturbance that prevents any electric energy deliveries from occurring at the Point of Delivery.

11.6 Notwithstanding anything to the contrary herein, Force Majeure shall not apply to, or excuse any default under, Sections 15.1(a), 15.1(b), 15.1(c), or 15.1(d). For the avoidance of doubt, Avista may declare Seller in Default if an event described in any of Sections 15.1(a), 15.1(b), 15.1(c), or 15.1(d), occurs and Avista may pursue any remedy available to it under this agreement.

12. INDEMNITY

12.1 Except as precluded by applicable law (including the limitations prescribed by the laws of the state of Idaho and, to the extent required by such laws, the lawful policies promulgated by the University of Idaho's Board of Regents), the Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from such Party's action or failure to meet its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party. This indemnity shall not extend the responsibility or liability of University of Idaho beyond that allowed by applicable law, including without limit and to the extent applicable, the Idaho constitution, the Idaho Tort Claims Act, and Idaho Code sections 59-1015, 1016, and 1017. Nothing herein shall obligate the Legislature of the State of Idaho to make future appropriations for any payment of any obligation of the University of Idaho, and any such obligation is an independent obligation of the University and not of the State of Idaho. Nothing herein shall be deemed a waiver of the University of Idaho's or the State of Idaho's sovereign immunity, which is hereby expressly reserved.

12.2 SELLER AND AVISTA SPECIFICALLY WARRANT THAT THE TERMS AND CONDITIONS OF THE FOREGOING INDEMNITY PROVISIONS ARE THE SUBJECT OF MUTUAL NEGOTIATION BY THE PARTIES, AND ARE SPECIFICALLY AND EXPRESSLY AGREED TO IN CONSIDERATION OF THE MUTUAL BENEFITS DERIVED UNDER THE TERMS OF THE AGREEMENT.

12.3 EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT, SAVINGS OR REVENUE,

LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, OR COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY; PROVIDED, HOWEVER, THAT ANY AMOUNTS DUE TO SELLER AS PAYMENT FOR NET OUTPUT DELIVERED TO AVISTA PURSUANT TO THE TERMS OF THIS AGREEMENT SHALL BE DEEMED TO BE DIRECT DAMAGES.

13. ASSIGNMENT

13.1 Seller shall not assign its rights or delegate its duties under this Agreement without the prior written consent of Avista, which consent shall not be unreasonably withheld. Subject to the foregoing restrictions on assignments, this Agreement shall be fully binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors, heirs and assigns.

13.2 Seller shall have the right without Avista's consent, but with a thirty days prior written notice to Avista, to make collateral assignments of its rights under this Agreement to satisfy the requirements of any development, construction, or other reasonable long-term financing. A collateral assignment shall not constitute a delegation of Seller's obligations under this Agreement, and this Agreement shall not bind the collateral assignee. Any collateral assignee succeeding to any portion of the ownership interest of Seller shall be considered Seller's successor in interest and shall thereafter be bound by this Agreement.

14. NO UNSPECIFIED THIRD-PARTY BENEFICIARIES

There are no third-party beneficiaries of this Agreement. Nothing contained in this Agreement is intended to confer any right or interest on anyone other than the Parties, and their respective successors, heirs and assigns permitted under Section 13.

15. DEFAULT AND TERMINATION

15.1 In addition to any other breach or failure to perform under this Agreement, each of the following events shall constitute a Default:

- (a) The Facility ceases to be a Qualifying Facility;
- b) A Party becomes insolvent (e.g., is unable to meet its obligations as they become due or its liabilities exceed its assets);
- (c) Seller makes a general assignment of substantially all of its assets for the benefit of its creditors, files a petition for bankruptcy or reorganization or seeks other relief under any applicable insolvency laws;
- (d) Seller has filed against it a petition for bankruptcy, reorganization or other relief under any applicable insolvency laws and such petition is not dismissed or stayed within sixty days after it is filed;

(e) Seller is in default under any Agreement related to this Agreement; or

(f) Termination, cancellation or expiration of any agreement required for Seller to deliver electric energy to Avista under this Agreement, including but not limited to the Interconnection Agreement.

15.2 Notice and Opportunity to Cure. In the event of a Default, the non-Defaulting Party shall give written notice to the Defaulting Party of a Default in accordance with Section 27. Except as provided in Section 15.1(d), if the Defaulting Party has not cured the breach within thirty days after receipt of such written notice, the non-Defaulting Party may, at its option, terminate this Agreement and/or pursue any remedy available to it in law or equity; *provided* that, if a Default occurs under Sections 15.1(a) or 15.1(f), Seller shall not deliver any Net Output to Avista, and Avista shall have no obligation to accept any Net Output from the Facility, until such Default is cured.

15.3 Additional Rights and Remedies. Any right or remedy afforded to either Party under this Agreement on account of a Default by the other Party is in addition to, and not in lieu of, all other rights or remedies available to such Party under any other provisions of this Agreement, by law or otherwise on account of the Default.

15.4 Damages. If this Agreement is terminated as a result of Seller's Default after the Effective Date, Seller shall pay Avista, in addition to other damages, the positive difference, if any, between the applicable Avoided Cost Rate and the cost to replace the Net Output for twelve months beginning on the date of the original Default, plus all associated transmission costs to Avista to acquire such replacement Net Output.

16. DISPUTE RESOLUTION

Each Party shall strive to resolve any and all differences during the term of the Agreement through meetings and discussions. If a dispute cannot be resolved within a reasonable time, not to exceed thirty days, each Party shall escalate the unresolved dispute to a senior officer designated by each Party. If the senior officers are not able to resolve the dispute within ten Business Days of escalation then the Parties may agree to mediate or arbitrate the dispute. In the event that the Parties do not agree to mediation or arbitration, either Party may, as applicable, request a hearing before the Commission or seek relief in a court of competent jurisdiction.

17. RELEASE BY SELLER

Seller releases Avista from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

17.1 Electric disturbance or fluctuation that migrates, directly or indirectly, from Avista's electric system to the Facility;

17.2 Interruption, suspension or curtailment of electric service to the Facility or any other premises owned, possessed, controlled or served by Seller, which interruption, suspension or curtailment is caused or contributed to by the Facility or the interconnection of the Facility;

17.3 Disconnection, interruption, suspension or curtailment by Avista pursuant to terms of this Agreement or the Interconnection Agreement.

18. SEVERAL OBLIGATIONS

The duties, obligations and liabilities of the Parties under this Agreement are intended to be several not joint or collective. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties. Each Party shall be individually and severally liable for its own obligations under this Agreement. Further, neither Party shall have any rights, power or authority to enter into any agreement or undertaking for or on behalf of, to act as to be an agent or representative of, or to otherwise bind the other Party.

19. IMPLEMENTATION

Each Party shall promptly take such action (including, but not limited to, the execution, acknowledgement and delivery of documents) as may be reasonably requested by the other Party for the implementation or continuing performance of this Agreement.

20. NON-WAIVER

The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment of such Party's right to assert or rely upon any such provision or right in that or any subsequent instance; rather, the same shall be and remain in full force and effect.

21. AMENDMENT

No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both Parties.

22. CHOICE OF LAWS

This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho without reference to its choice of law provisions.

23. HEADINGS

The Section headings in this Agreement are for convenience only and shall not be considered part of or used in the interpretation of this Agreement.

24. SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

25. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed as an original, and together shall constitute one and the same document.

26. TAXES

Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

27. NOTICES

Unless otherwise specified, all written notices or other communications required by or provided under this Agreement shall be mailed or delivered to the following addresses, and shall be considered delivered when deposited in the US Mail, postage prepaid, by certified or registered mail or delivered in person:

to Avista: Director, Power Supply
Avista Corporation
P.O. Box 3727
Spokane, WA 99220

to Seller: Director of Facilities
University of Idaho
875 Perimeter Drive, MS2281
Moscow, ID 83844-2281

Either Party may change its designated representative to receive notice and/or address specified above by giving the other Party written notice of such change.

28. SURVIVAL

Rights and obligations which, by their nature, should survive termination or expiration of this Agreement, will remain in effect until satisfied, including without limitation, all outstanding financial obligations, and the provisions of Section 12 (Indemnity) and Section 16 (Dispute Resolution).

29. ENTIRE AGREEMENT

This Agreement, including the following exhibits which are attached and incorporated by reference herein, constitutes the entire agreement of the Parties and supersedes all prior and contemporaneous oral or written agreements between the Parties with respect to the subject matter hereof.

- Exhibit A Project Description and Point of Delivery
- Exhibit B Communications and Reporting
- Exhibit C-1 Independent Engineering Certifications for Construction Adequacy for a Qualifying Facility
- Exhibit C-2 Independent Engineering Certifications for Ongoing Operations and Maintenance for a Qualifying Facility
- Exhibit D Interconnection Agreement

30. Authority

In entering this Agreement, the Seller's representative is acting under delegated authority under Board of Regents Policy V.I.

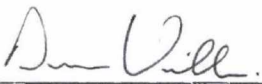
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date set forth below.

**REGENTS OF THE UNIVERSITY OF
IDAHO**

AVISTA CORPORATION

By: 

Printed Name: Brian Foich

By: 

Title: Vice President for Finance & Admin

Printed Name: Dennis Vermillion

Date: 2.16.2022

Title: President and CEO

Date: February 16, 2022

Exhibit A

Project Description and Point of Delivery

Description of the Facility:

Seller's Facility is described as University of Idaho Micro-steam Turbine Installation and consists of:

- Three micro-steam turbine-generator sets, each designed to produce 275 kW, for total Facility design capacity of 825 kW
- Turbine-generators serve to offset campus power needs as well as reducing the pressure of steam from 170 psig down to 35 psig prior to campus distribution

Location:

Seller's Facility is located at the University of Idaho Energy Plant, at the northeast corner of 6th Street and Line Street, Moscow, Idaho 83844.

Point of Delivery: The Secondary terminals of the Transmission Provider's Distribution Transformer(s) where the Seller's secondary conductors are connected.

Exhibit B
Communication and Reporting

(1) Email communications between Seller and Avista shall be submitted to:

Avista: _____@avistacorp.com; or
 _____@avistacorp.com

Seller: johnsonb@uidaho.edu
Alternate: _ vineyard@uidaho.edu

(2) All oral communications relating to electric energy scheduling, generation level changes, interruptions or outages between Seller and Avista will be communicated on a recorded line as follows:

(a) Pre-Schedule (5:30 am to 12:00 noon on Business Days):

Avista Pre-Scheduler: (509) 495-4911
Alternate Phone: (509) 495-4073

Seller: (208) 885-5775
Alternate Phone: (208) 885-6246

(b) Real-Time Schedule (available 24 hours a day)

Avista Real-Time Scheduler: (509) 495-8534

Seller: (208) 874-7550
Alternate Phone: _____

(3) Either Party may change its contact information upon written notice to the other Party.

Exhibit C-1

**Independent Engineering Certification for
Construction Adequacy for a Qualifying Facility**

1. I, _____ am a licensed professional engineer registered to practice and in good standing in the State of _____. I have substantial experience in the design, construction and operation of electric power plants of the same type as _____ (Title of QF) sited at _____ in _____ County, State of _____ (the "Facility").

2. I have reviewed and/or supervised the review of the construction in progress or of the completed Facility and it is my professional opinion that said Facility has been designed and built according to appropriate plans and specifications bearing the words "CERTIFIED FOR ACCEPTANCE" and with the stamp of the certifying licensed professional engineer of the design, and that the Facility was built to commercially acceptable standards for this type of facility.

3. I have no economic relationship to the designer or owner of said Facility and have made my analysis of the plans and specifications independently.

4. I hereby CERTIFY that the above statements are complete, true, and accurate to the best of my knowledge and I therefore set my hand and seal below.

Signed and Sealed

DATE: _____

SIGNATURE: _____

PRINTED NAME: _____

Exhibit C -2

Independent Engineering Certification of Ongoing Operations and Maintenance for a Qualifying Facility

1. The undersigned is a duly authorized representative of _____, in its capacity as an independent engineer (the "Independent Engineer"). The Independent Engineer has substantial experience reviewing the design, construction, and operation of electric power plants of the same type as the University of Idaho's micro-steam turbine-generator sets ("Facility").
2. Independent Engineer has reviewed the operation and maintenance agreement ("O&M Agreement") for the Facility and it is the Independent Engineer's professional opinion that, provided the Facility has been designed and built to appropriate standards, the O&M Agreement is the same as the original O&M Agreement in place at COD, the is consistent with Prudent Utility Practices (as defined in the Agreement) and therefore is considered adequate to support the Facility's production of energy in accordance with the requirements of the Agreement, noting that the Independent Engineer makes no representation as to the amounts of energy that will be produced by the Facility.
3. Independent Engineer has no economic relationship to the designer or owner of said Facility and has made its analysis of the O&M Agreement independently.
4. Independent Engineer hereby confirms that the above statements are complete, true, and accurate to the best of its knowledge.

Signed and Sealed

DATE: _____

SIGNATURE: _____

PRINTED NAME: _____

**SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)
BETWEEN
REGENTS OF THE UNIVERSITY OF IDAHO
AND
AVISTA CORPORATION
(PROJECT #FT6)**

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Interconnection Agreement (“Agreement”) is made and entered into as of the last date executed, by **Avista Corporation** (“Transmission Provider” or “Avista”), and the **Regents of the University of Idaho** (“Interconnection Customer”) each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.”

Transmission Provider Information

Transmission Provider: Avista Corporation
Attention: Manager, Transmission Services
Address: 1411 East Mission Ave
City: Spokane State: Washington Zip: 99202
Phone: (800) 227-9187

Interconnection Customer Information

Interconnection Customer: University of Idaho, State Board Regents
Attention: Director of Utilities and Engineering Services
Address: 875 Perimeter Drive
City: Moscow State: Idaho Zip: 83844
Phone: (208) 885-6246

Interconnection Customer Application No: FT6

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement governs the terms and conditions under which the Interconnection Customer’s Small Generating Facility will interconnect with, and Operate in Parallel with, the Transmission Provider's Electric System.
- 1.2 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer’s power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.
- 1.3 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.
- 1.4 Authority of the Interconnection Customer
The undersigned represent that they have authority to execute this Agreement. The Interconnection Customer’s representative is acting under delegated authority under Board of Regents Policy V.I.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and Operating Requirements in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected Systems.
- 1.5.4 The Transmission Provider shall operate and maintain its Electric System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Electric System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement. Interconnection Customer is responsible for compliance with any applicable NERC and/or WECC reliability standards and requirements associated with its facilities and systems. Transmission Provider does not accept any delegation of, and does not assume any responsibility or obligation for, compliance with such reliability standards and requirements.

- 1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the Interconnection.
- 1.6 Parallel Operation Obligations
Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable balancing area, including, but not limited to: 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the system operator for the Transmission Provider's Electric System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.
- 1.7 Metering
The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.
- 1.8 Reactive Power
1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis.
- 1.9 Definitions
Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

- 2.1 Equipment Testing and Inspection
2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a

written test report when such testing and inspection is completed.

- 2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Electric System without prior authorization from the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. The authorization shall not be unreasonably withheld, conditioned or delayed.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five (5) Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at 2.2.2. At reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties. The Transmission Provider shall promptly file this Agreement with the appropriate regulatory agencies, if required.

3.2 Term of Agreement

This Agreement shall remain in effect through September 30, 2031 and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to the termination, including the filing with the appropriate regulatory agencies of a notice of termination of this Agreement, if required.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider twenty (20) Business Days written notice.

3.3.2 In the event the Transmission Provider determines that this Agreement must be filed with FERC or FERC asserts jurisdiction over this Agreement, Transmission Provider will file this Agreement with FERC. If FERC issues an order rejecting this Agreement or accepting this Agreement upon conditions that are, in the sole determination of such Party, unacceptable to either Party the Parties will meet within thirty (30) days of the date of such order (unless the Parties agree to a longer period) to negotiate in good faith for the purpose of amending or replacing this Agreement to address the issues raised by the FERC order. To the extent practical, the Parties will endeavor to amend or replace the Agreement in a manner that the relative benefits and obligations of the Parties under the Agreement are, to the extent practicable, preserved.

3.3.3 Either Party may terminate this agreement upon written notice to the other Party at such time as the Small Generating Facility permanently ceases commercial operation.

3.3.4 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.5 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Electric System. All costs required to effectuate the disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or

such non-terminating Party otherwise is responsible for these costs under this Agreement. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.6 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination.

3.3.7 The provisions of this article shall survive termination or expiration of this Agreement.

3.3.8 This Agreement terminates and supersedes all prior interconnection agreements between the parties for the Small Generating Facility, including the Small Generator Interconnection Agreement dated June 9, 2020.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Electric System, the Transmission Provider's Interconnection Facilities or the Electric Systems of others to which the Electric System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Electric System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Electric System when

necessary for routine maintenance, construction, and repairs on the Transmission Provider's Electric System. The Transmission Provider shall provide the Interconnection Customer with five (5) Business Days notice prior to the interruption. The Transmission Provider shall use Reasonable Efforts to coordinate the reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Electric System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Electric System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five (5) Business Day notice of the disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Electric System. The authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Electric System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

Distribution Upgrades are not required for the interconnection of the Small Generating Facility.

4.3 Joint Coordination

For any planned projects undertaken by the Transmission Provider for which the Interconnection Customer bears cost responsibility pursuant to article 4.1.2, the Transmission Provider shall consult with the Interconnection Customer regarding the planning, design, replacement, operation, maintenance, and repair of such facilities prior to procuring equipment for such projects or commencing construction or installation of such projects, including providing estimated costs. Transmission Provider shall use its best efforts to minimize such costs.

Article 5. Cost Responsibility for Transmission Upgrades

This article is intentionally left blank.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.2 Billing and Payment Procedures for Costs of Operating, Maintaining, Repairing, and Replacing the Transmission Provider's Interconnection Facilities

- 6.2.1 General. Transmission Provider shall submit to Interconnection Customer, on a monthly basis, invoices of amounts due for the preceding month for the services provided by Transmission Provider pursuant to Article 4.1.2(2). Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided.
- 6.2.2 Payment. Invoices shall be rendered to Interconnection Customer at the address specified in Article 13.1. Interconnection Customer shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named and account designated by Transmission Provider. Payment of invoices by Interconnection Customer will not constitute a waiver of any rights or claims Interconnection Customer may have under this Agreement.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided that, notwithstanding the foregoing:

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any assignment;
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility; provided that the Interconnection Customer will promptly notify the Transmission Provider of any assignment.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

7.2.1 Release by the Transmission Provider

The Transmission Provider hereby releases each of Interconnection Customer and

the officers, employees, agents and legal representatives of the Interconnection Customer from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

- 7.2.1.1 operation of the Interconnection Customer's Interconnection Facilities or Small Generating Facility in parallel with the Transmission Provider's Electric System;
- 7.2.1.2 electric disturbance or fluctuation that migrates, directly or indirectly, from the Interconnection Customer's Interconnection Facilities or Small Generating Facility to the Transmission Provider's Electric System;
- 7.2.1.3 disconnection, interruption, suspension or curtailment, through manual operation, automatic operation or otherwise, by the Interconnection Customer in the event that the Interconnection Customer, in the exercise of its sole discretion, determines or has determined that an emergency condition exists or may exist that is contrary to Good Utility Practice, and failure to do so:
 - (i) may cause imminent harm to any person or property, or
 - (ii) may cause the disruption of reliable operation of the Interconnection Customer's Interconnection Facilities or Small Generating Facility or the Transmission Provider's Electric System (including, but not limited to, any transmission or distribution line thereof).

The foregoing release shall not be effective to the extent any claims, losses, harm, liabilities, damages, costs, and expenses are the result of the Interconnection Customer's willful misconduct.

7.2.2 Release by the Interconnection Customer

The Interconnection Customer hereby releases each of the Transmission Provider and the directors, employees, agents and legal representatives of the Transmission Provider from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

- 7.2.2.1 operation of the Transmission Provider's Electric System in parallel with the Interconnection Customer's Interconnection Facilities or Small Generating Facility;
- 7.2.2.2 electric disturbance or fluctuation that migrates, directly or indirectly, from the Transmission Provider's Electric System to the Interconnection Customer's Interconnection Facilities or Small Generating Facility;
- 7.2.2.3 disconnection, interruption, suspension or curtailment, through manual operation, automatic operation or otherwise, by the Transmission

Provider in the event that the Transmission Provider, in the exercise of its sole discretion, determines or has determined that an emergency condition exists or may exist that is contrary to Good Utility Practice, and failure to do so:

- (i) may cause imminent harm to any person or property, or
- (ii) may cause the disruption of reliable operation of the Transmission Provider's Electric System or the Interconnection Customer's Interconnection Facilities or Small Generating Facility (including, but not limited to, any transmission or distribution line thereof) or any electric system with which the Transmission Provider is interconnected.

The foregoing release shall not be effective to the extent any claims, losses, harm, liabilities, damages, costs, and expenses are the result of the Transmission Provider's willful misconduct.

7.3 Indemnity

- 7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.
- 7.3.2 Except as precluded by applicable law (including the limitations prescribed by the laws of the state of Idaho and, to the extent required by such laws, the lawful policies promulgated by the University's Board of Regents), the Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from such Party's action or failure to meet its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party. This indemnity shall not extend the responsibility or liability of University beyond that allowed by applicable law, including without limit and to the extent applicable, the Idaho constitution, the Idaho Tort Claims Act, and Idaho Code sections 59-1015, 1016, and 1017. Nothing herein shall obligate the Legislature of the State of Idaho to make future appropriations for any payment of any obligation of the University, and any such obligation is an independent obligation of the University and not of the State of Idaho. Nothing herein shall be deemed a waiver of the University's or the State of Idaho's sovereign immunity, which is hereby expressly reserved.
- 7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such

claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be

mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

- 7.6.1 No Default shall exist where the failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.
- 7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of the insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. The insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that the insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. The insurance or self-

insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.

- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of the insurance, whether or not the coverage is sought.
- 8.4 Notwithstanding the foregoing, Interconnection Customer may satisfy the requirements of this Article 8 by self-insuring through its self-funded liability program administered by the State of Idaho Office of Risk Management, which has a Combined Single Limit of \$500,000. Interconnection Customer will provide a Certificate of Financial Responsibility upon request.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose the publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold the information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
 - 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
 - 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

Article 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of this Agreement according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of

Dispute. The Notice shall describe in detail the nature of the dispute.

- 10.3 If the dispute has not been resolved within two (2) Business Days after receipt of the Notice, either Party may ask the Commission to review the dispute by making an informal complaint under Rule 55, or by filing a formal complaint under Rule 54 of the Rules of Procedure of the Idaho Public Utilities Commission.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If the Interconnection Customer elects to seek dispute resolution, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

- 12.1 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of Idaho (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 12.2 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 12.3 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) the portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by the ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems must comply with the recommendations offered by the

President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing the events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing the services and each Party shall remain primarily liable to the other Party for the performance of the subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: University of Idaho, State Board Regents Attention:
Assistant V.P. of Facilities
Address: 875 Perimeter Drive
City: Moscow State: Idaho Zip: 83844-2281
Phone: (208) 885-6246

Transmission Provider: Avista Corporation
Attention: Manager, Transmission Services
Address: 1411 E. Mission Ave, MSC-16
City: Spokane State: Washington Zip: 99202-1902

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

If to the Interconnection Customer:

University of Idaho, State Board Regents Attention:
Business Manager, Facilities Management Office
Address: 875 Perimeter Drive
City: Moscow State: Idaho Zip: 83844-2281

If to the Transmission Provider:

Transmission Provider:
All payments to Transmission Provider shall be submitted via electronic funds transfer to the account specified on each invoice

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: University of Idaho, State Board Regents
Attention: Director of Utilities and Engineering Services
Address: 875 Perimeter Drive
City: Moscow State: Idaho Zip: 83844-2281

If to the Transmission Provider:

Transmission Provider: Avista Corporation
Attention: Manager, Transmission Services
Phone: 509-489-0500

Email: transmission.services@avistacorp.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: University of Idaho, State Board of Regents
Attention: Director of Utilities and Engineering Services
Address: 875 Perimeter Drive
City: Moscow State: Idaho Zip: 83844-2281
Phone: (208) 885-6246

Transmission Provider's Operating Representative:

Transmission Provider: Avista Corporation
Attention: Chief System Operator
Address: 1411 E Mission Ave., MSC-3
City: Spokane State: Washington Zip: 99202-1902
Phone: 509-495-8635


13.5 Changes to the Notice Information

Either Party may change this information by giving five (5) Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

AVISTA CORPORATION

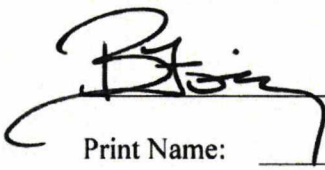
By:  Digitally signed by Jeff Schlect
Date: 2022.02.22 15:57:18 -08'00'

Jeff Schlect

Senior Manager, Transmission Services

Date: 2-Feb-2022

For the Interconnection Customer


Print Name: _____

Title: _____

Date: 2-22-22

Glossary of Terms

Affected System – An electric system other than the Transmission Provider's Electric System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding official federal and state holidays.

Commission – The Idaho Public Utilities Commission.

Default – The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility. Distribution Upgrades do not include Interconnection Facilities.

Electric System – All electrical wires, equipment, and other facilities owned by the Electrical Company that are used to transmit electricity to customers. Electric System includes the definition of Transmission System and Distribution System.

Electrical Company – Any public service company, as defined by RCW 80.04.010, engaged in the generation, distribution, sale or furnishing of electricity and subject to the jurisdiction of the Commission.

FERC – The Federal Energy Regulatory Commission, or its successor.

Generating Facility – A source of electricity owned by the Interconnection Customer that is located on the Interconnection Customer's side of the Point of Common Coupling, and all ancillary and appurtenant facilities, including Interconnection Facilities, which the Interconnection Customer requests to interconnect to the Electrical Company's Electric System.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices,

methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Industry Standards – The standards, criteria and requirements of NERC, WECC and the NWPP, as such standards, criteria and requirements may be revised from time to time.

Interconnection – The physical connection of a Generating Facility to the Electric System so that Parallel Operation may occur.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Electric System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Electric System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Transmission Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Electric System.

NERC – The North American Electric Reliability Council, or its successor.

NWPP – The Northwest Power Pool, or its successor.

Parallel Operation (or Operate in Parallel) – The synchronous operation of a Generating Facility while interconnected with an Electrical Company's Electric System.

Operating Requirements – Any operating and technical requirements that may be applicable due

to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Common Coupling (or PCC) – The point where the Generating Facility's local electric power system is connected such that it operates in parallel with the Electrical Company's Electric System, such as the electric power revenue meter or at the location of the equipment designated to interrupt, separate or disconnect the connection between the Generating Facility and Electrical Company. The Point of Common Coupling is the point of measurement for the application of IEEE 1547, clause 4.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Electric System.

PURPA Qualifying Facility – A Generating Facility that meets the criteria specified by the Federal Energy Regulatory Commission (FERC) in 18 CFR Part 292 Subpart B and that sells power to an electrical company pursuant to the Public Utility Regulatory Policies Act.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production of electricity, but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – The current tariffs, rates schedules and prices for the Electric Company under the jurisdiction of the Commission.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider. Transmission Provider includes the definition of Electrical Company.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the tariff.

Transmission Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades do not include Interconnection Facilities.

Upgrades – The required additions and modifications to the Transmission Provider's Electric

System at or beyond the Point of Interconnection. Upgrades may be Transmission Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

WECC – The Western Electricity Coordinating Council, or its successor.

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Generating Facility

- Project Name – University of Idaho Microturbine Power Generation
- Nameplate Size (Rating) – 1050 kW (AC)
- Maximum Generation Injection at Point of Common Coupling – 825 kW (AC)
- Interconnection feeder: Moscow City M15511
- Generator Type – Synchronous Potencia 350KW2PS1
- Interconnection Type – Network Resource
- Location – District Energy Plant, 550 Line Street, Moscow Idaho 83844
- Facilities – (3) 350 kW non-traditional steam backpressure turbines using biomass as fuel

Interconnection Facilities

Interconnection Customer Interconnection Facilities – Owned, operated and maintained by Interconnection Customer:

- Potencia 350KW2PS1
- 1500 kVA transformer

Transmission Provider Interconnection Facilities – none

Metering Equipment

Owned, operated and maintained by Transmission Provider

At the Point of Common Coupling:

- Standard retail load 3-phase 277/480V metering package (existing facilities)

At the Point of Interconnection:

- Standard retail load 3-phase 13kV primary metering package
- All power that flows to the Interconnection Customer at the Point of Interconnection shall be accounted for under separate retail service arrangement between Avista and the Interconnection Customer.
- All power that flows to the Transmission Provider at the Point of Interconnection shall be registered separately and shall not reduce, or be netted against, power that flows to the Interconnection Customer.

Point of Common Coupling

The secondary terminals of the Interconnection Customer's 13kV/480V Transformer(s) where the Interconnection Customer's secondary conductors are connected.

**One-Line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

Interconnection Customer provided NLINE ENERGY drawing Nos. E001 and E002, both dated 11/25/19.

Milestones

In-Service Date: June 30, 2022

Critical milestones and responsibility as agreed to by the Parties:

Milestone/Date	Responsible Party
(1) Small Generator Interconnection Request under Fast Track process (completed)	Interconnection Customer
(2) Fast Track Initial Review pursuant to Section 2 of The Small Generator Interconnection Procedures Attachment N to Avista's Tariff (completed)	Avista
(3) Installation of standard retail 3-phase 277/480V metering package	Avista

Per Attachment 6 there are no Distribution Upgrades or Transmission Upgrades required to provide Interconnection Service for the Small Generating Facility. Accordingly, there are no additional critical milestones to be completed prior to commencement of parallel operation under this Agreement.

**Additional Operating Requirements for the Transmission Provider's
Electric System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Electric System.

Generation Interconnection Guidelines and Standards

1. Interconnection Requirements

- 1.1. All Small Generating Facilities shall be constructed and operated in accordance with Industry Standards and Good Utility Practice.
- 1.2. The Small Generating Facility shall not cause abnormal voltage magnitudes, frequencies, excessive interruptions, or excessive harmonics. This shall include not injecting communications signals associated with operation of the Small Generating Facility into Transmission Provider's Electric System.
- 1.3. When the Small Generating Facility is connected to Transmission Provider's Electric System the Small Generating Facility shall follow Transmission Provider's local system frequency which is a nominal 60 hertz.
- 1.4. Any voltage flicker caused from the operation of the Small Generating Facility shall not exceed the limits defined by the latest revision of IEEE 519 or IEEE 1547, whichever is applicable.
- 1.5. For salient pole generators with a capacity of 5,000 kVA or larger or for any size cylindrical rotor synchronous generator, the harmonics shall not exceed the limits as outlined for telephone influence factor (TIF) in the latest revision of ANSI standards C50.12, C50.13, or C50.14, whichever is applicable. For all generators, voltage distortion limits and current harmonic limits shall be as specified in the latest revision of IEEE 519 or IEEE 1547, whichever is applicable.
- 1.6. When the Small Generating Facility is operating in parallel with the Transmission Provider Electric System, the Small Generating Facility shall operate at a power factor within the range of 0.95 leading to 0.95 lagging.
- 1.7. Each Party and the Small Generating Facility shall be responsible for protection of its facilities from any system voltage or frequency excursions consistent with Industry Standards and Good Utility Practice.

2. EQUIPMENT REQUIREMENTS

- 2.1. Interconnection Customer or the Small Generating Facility shall supply, install, own, operate and maintain all equipment at the Small Generating Facility as appropriate and pursuant to applicable electric codes, Industry Standards and Good Utility Practice.
- 2.2. The Small Generating Facility shall maintain its equipment in good working order and keep adequate maintenance records. The Small Generating Facility and maintenance records shall be subject to inspection by Transmission Provider. Transmission Provider may also witness or review any acceptance tests of Small Generating Facility.

3. PROTECTION REQUIREMENTS

- 3.1. Interconnection Customer or the Small Generating Facility shall furnish, install, operate, and maintain in good order and repair, and without cost to Transmission Provider such relays, instrument transformers, breakers, automatic synchronizers, and other control and protection apparatus as shown by Transmission Provider to be reasonably necessary for the operation of the Small Generating Facility in parallel with Transmission Provider's Electric System. The minimum protection requirements for the Small Generating Facility may change based on system configuration or other special circumstances. At a minimum the protection requirements, based on the size of the Small Generating Facility, shall be as follows.
 - 3.1.1. Small generator connected to a distribution feeder (rated output less than 25 kVA): The Small Generating Facility must provide adequate protection to protect its own facility for faults at the facility or on either Party's electric system. Interconnection Customer or the Small Generating Facility shall provide an appropriate disconnect switch available to Transmission Provider.
 - 3.1.2. Medium generator connected to a distribution feeder (rated output less than one quarter of the distribution feeder load): The Small Generating Facility must meet all requirements of a small generator, plus the Small Generating Facility relaying shall include over/under voltage and over/under frequency (islanding detection) and synchronism check.
 - 3.1.3. Large generator connected to a distribution feeder (rated output greater than or equal to 3 MVA or one quarter of the distribution feeder load): The Small Generating Facility must meet all requirements of a medium generator, plus phase and ground overcurrent relays to detect and clear for faults on the Transmission Provider Electric System.
 - 3.1.4. Generator connected to a transmission line: The Small Generating Facility must provide a level of protection equivalent to the most current standard of similar terminals on the Transmission Provider Electric System. Necessary upgrades to Transmission Provider's remote line terminal relaying to interface with the Small

Generating Facility will be at the expense of Interconnection Customer unless provided for in another agreement.

- 3.2. The Small Generating Facility's protection system shall coordinate with Transmission Provider's protection system without adverse affect to the Transmission Provider Electric System or its customers. The Small Generating Facility shall provide Transmission Provider with all proposed relay design and settings for the protection system related to the Small Generating Facility. Transmission Provider shall approve the Small Generating Facility's protection system prior to the Small Generating Facility being operated in parallel with the Transmission Provider Electric System.
- 3.3. If parallel operation of the Small Generating Facility to Transmission Provider's Electric System requires upgrades to Transmission Provider's protection system, the upgrades shall be at the expense of Interconnection Customer unless provided for in another agreement, including, but not limited to, upgrades to Transmission Provider's reclosing relaying.
- 3.4. The Small Generating Facility's protection system must be operated, tested, and maintained in accordance with Industry Standards and Good Utility Practice and shall be at the expense of Interconnection Customer unless provided for in another agreement.
- 3.5. Each relay responsible for disconnecting the Small Generating Facility from the local power system shall be connected to an appropriately installed GPS time source, with accuracy better than 8 ms or some type of Sequence of Events recorder shall be made available. Transmission Provider may request and Interconnection Customer or the Small Generating Facility shall provide event reports at the Small Generating Facility.
- 3.6. The Small Generating Facility shall provide adequate means or devices that will prevent the Small Generating Facility from being closed into or energizing a de-energized Transmission Provider Electric System or de-energized phase of the Transmission Provider Electric System.
- 3.7. The Small Generating Facility may be manually or automatically started and operated in parallel to Transmission Provider's Electric System any time Transmission Provider's Electric System is in a normal operating condition. A "normal" operating condition exists when Transmission Provider's Electric System through which the Small Generating Facility will be operated in parallel is energized and no local conditions exist on Transmission Provider's Electric System such as abnormal voltages, frequencies, single phasing, etc. that would prevent acceptable synchronization.

4. COMMUNICATIONS

- 4.1. The Small Generating Facility shall maintain satisfactory operating communications with Transmission Provider's dispatcher or representative designated by Transmission Provider. The Small Generating Facility shall provide standard voice line, dedicated voice line and facsimile communications at its Small Generating Facility control room

or central dispatch facility through use of either the public telephone system or a voice communications system that does not rely on the public telephone system.

- 4.2. For generation that will require telemetering, prior to the initial synchronization of the Small Generating Facility, a remote terminal unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer or the Small Generating Facility, or by Transmission Provider at Interconnection Customer's expense unless provided for in another agreement, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) or other equivalent communication medium acceptable to the Parties as indicated in section 4.4 below. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.
- 4.3. For generation that will require telemetering, Interconnection Customer or the Small Generating Facility shall provide the dedicated data circuit(s) or other equivalent communication medium acceptable to the Parties necessary to provide the Small Generating Facility's data to Transmission Provider. The data circuit(s) shall extend from the Small Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be the responsibility of Interconnection Customer unless provided for in another agreement. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.
- 4.4. Unless provided for in another agreement, Interconnection Customer shall have Transmission Provider listed on record with any third-party communication provider so that Transmission Provider has the ability to call in trouble tickets. Each Party shall promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible unless provided for in another agreement.

5. MISCELLANEOUS REQUIREMENTS

- 5.1. Transmission Provider reserves the right to open the main disconnecting device and/or cease parallel generation with reasonable notice provided to Interconnection Customer or the Small Generating Facility (when notice is practicable) for any of the following reasons:
 - 5.1.1. System emergency.
 - 5.1.2. Small Generating Facility's generating equipment interferes with other projects or the operation of the Transmission Provider Electric System.

- 5.1.3. Any quality of service reduction.
- 5.2. Unless provided for in another agreement, Interconnection Customer shall supply Transmission Provider with the following data and machine parameters for the Small Generating Facility as needed:
 - 5.2.1. Rated kVA output.
 - 5.2.2. Rated voltage.
 - 5.2.3. Rated power factor.
 - 5.2.4. Type of generator (induction motor, DC motor, synchronous generator, etc.).
 - 5.2.5. Proposed protective equipment (breakers, fuses, instrument transformers, relay types and settings, etc.).
 - 5.2.6. Generator's contribution to faults (saturation, subtransient, transient and synchronous resistances and reactances and the associated time constraints, sequence impedance (positive, negative, zero), system resistance and reactance from Transmission Provider Electric System to the Small Generating Facility).
 - 5.2.7. Inertia constants.
 - 5.2.8. Estimated schedule of operation and estimated annual kWh.
 - 5.2.9. Governor and exciter control system parameters.
- 5.3. Unless provided for in another agreement, Interconnection Customer shall supply Transmission Provider with the following generator transformer nameplate data for the Small Generating Facility:
 - 5.3.1. Rated kVA, including base and any forced oil / forced air ratings.
 - 5.3.2. Voltage rating, available tap settings, and proposed tap setting.
 - 5.3.3. Test Impedance, including X/R ratio or measured load loss Watts.
- 5.4. Interconnection Customer shall require the installation and operation of a power system stabilizer at the Small Generating Facility if required pursuant to Industry Standards.

Transmission Provider's Description of its Upgrades

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrades costs and annual expenses as either transmission or distribution related.

Distribution Upgrades and Ownership

No Distribution Upgrades were identified and required for the interconnection of the Small Generating Facility.

Transmission Upgrades and Ownership

No Transmission Upgrades were identified and required for the interconnection of the Small Generating Facility.